

**ARIZONA STATE PARKS BOARD
DEPARTMENT OF LIQUOR LICENSES AND CONTROL
SEPTEMBER 15, 2010
MINUTES**

Board Members Present

Reese Woodling, Chairman

Tracey Westerhausen, Vice Chairman (arrived at 10:43 a.m.)

William Scalzo

Maria Baier

Alan Everett

Board Members Absent

Larry Landry

Walter Armer

Staff Members Present

Renée Bahl, Executive Director

Jay Ream, Assistant Director, Parks

Jay Ziemann, Assistant Director, Partnerships and External Affairs

Kent Ennis, Assistant Director, Administration

Monica Enriquez, Executive Assistant

Ellen Bilbrey, Public Information Officer

Jim Garrison, State Historic Preservation Officer

Janet Hawks, Chief of Operations

Jeanette Hall, Chief of Human Resources

Ray Warriner, Real Estate Manager

Annie McVay, State Trails Coordinator

Attorney General's Office

Laurie Hachtel, Assistant Attorney General

**A. CALL TO ORDER FOR EXECUTIVE SESSION - ROLL CALL - Time Certain:
9:00 A.M.**

Chairman Woodling called the Executive Session to order at 9 a.m. Roll Call indicated a quorum was present.

B. EXECUTIVE SESSION - Upon a public majority vote, the Board may hold an Executive Session that is not open to the public for the following purposes:

1. To discuss or consult with its legal counsel for legal advice on matters listed on this agenda pursuant to A.R.S. §38-431.03(A)(3).

a. Legal advice regarding the creation and composition of special taxing districts.

C. CALL TO ORDER - ROLL CALL – Time Certain: 10:00 A.M.

Chairman Woodling called the Public Session to order at 10:00 a.m.

D. INTRODUCTIONS OF BOARD MEMBERS AND AGENCY STAFF

1. Board Statement - “As Board members we are gathered today to be the stewards and voice of Arizona State Parks and its Mission Statement to manage and conserve Arizona’s natural, cultural, and recreational resources for the benefit of the people, both in our parks and through our partners.”

Ms. Baier read the Board Statement. The Board and Staff introduced themselves.

- E. CALL TO THE PUBLIC** – Those wishing to address the Board must register at the door and be recognized by the Chair. It is probable that each presentation will be limited to one person per organization. Action taken as a result of public comment will be limited to directing staff to study or reschedule the matter for further consideration at a later time.

John Driggs, Chairman, State Capitol Centennial Committee, and former Mayor of Phoenix, spoke about the State Capitol Centennial Committee. He said two projects are being joined together. The Committee has been mandated to create a master plan for the complete rehabilitation and renovation of the entire State Capitol building. The other project is the restoration of the Tovrea Castle. He invited staff and the Board to have a future Parks Board meeting there. A Visitor Center is being developed there. He suggested it be operated jointly by the Office of Tourism and Arizona State Parks (ASP) to promote tourism. He asked if the Board would make this an agenda item at a future Board meeting.

Mr. Scalzo asked if there would be work done there in the future to help make it more usable. Mr. Driggs answered affirmatively. He said the City of Phoenix has given almost \$1 million dollars in Park Preserves initiative money.

Chairman Woodling reminded the Board that this item is not an agenda item so there could not be more discussion on this.

Birgit Lowenstein, Benefactors of Red Rock State Park, spoke about activities at Red Rock State Park. She said visitation is picking up. She said the Benefactors are providing \$15,000 for the school programs to offset a part-time ranger. The Benefactors will also run the Gift Shop on the park. The Benefactors have been awarded a \$10,000 grant from the Sedona Community Foundation. She said the Benefactors are planning several fundraising activities. One is a gala held at a ramada at Red Rock. Another is the Red Rock Team at the Sedona Marathon that will be held on February 11, 2011. Volunteers have created a powerpoint presentation about the environmental program at Red Rock to inform the community. They plan to make it available on DVD as well. The Benefactors have put together a public discussion on the future of state parks to be held on September 30. Panelists will include Reese Woodling, Chairman, Arizona State Parks Board, Chip Davis, Yavapai County Board of Supervisor, Mayor Bob Burnside of Camp Verde and Sandy Bahr, Sierra Club.

Kroy Ekblaw, City of Scottsdale, said he would answer any questions on agenda item G1 pertaining to the Growing Smarter grant application. Chairman Woodling said he would call upon him when that agenda item is discussed if need be.

Norman Honanie, Hopi Tribe, said he would like to make his comments when that agenda item is discussed.

F. CONSENT AGENDA – The following items of a non-controversial nature have been grouped together for a single vote without Board discussion. The Consent Agenda is a timesaving device and Board members received documentation regarding these items prior to the open meeting. Any Board member may remove any item from the Consent Agenda for discussion and a separate vote at this meeting, as deemed necessary. The public may view the documentation relating to the Consent Agenda at the Board's office: 1300 W. Washington, Suite 104, Phoenix, Arizona.

- 1. Approve Minutes of June 15, 2010 Arizona State Parks Board Meeting**
- 2. Approve Minutes of June 16, 2010 Arizona State Parks Board Meeting**
- 3. Approve Minutes of July 30, 2010 Arizona State Parks Board Meeting**

Ms. Baier made a motion to adopt the Consent Agenda. Mr. Everett seconded the motion. The motion carried unanimously.

G. BOARD ACTION ITEMS

- 1. Consider Funding FY 2010 Growing Smarter State Trust Land Acquisition Fund Grant Applications** – Staff recommends awarding: Up to \$20,000,000 to the City of Phoenix for the purchase of 1,138(+/-) acres of the Phoenix Sonoran Preserve – Priority 2D and 3A; Up to \$25,000,000 to the City of Scottsdale for the purchase of 2,000 acres of the McDowell Sonoran Preserve; Up to \$7,000,000 to Coconino County for the purchase of 2,249 acres of Rogers Lake.

Mr. Ziemann said ASP received three grant applications for the FY 2010 Growing Smarter grant program. One is from the City of Phoenix for the Phoenix Sonoran Preserve. Another is from Coconino County for Rogers Lake and third is from the City of Scottsdale for McDowell Sonoran Preserve. He said there is a total of just under \$123 million in this fund available for grants. Statute dictates that no more than 50% can go to any particular county. Staff recommends that up to \$20,000,000 to the City of Phoenix for this acquisition, up to \$25,000,000 to the City of Scottsdale and up to \$7,000,000 to Coconino County. The recommendations are conditioned on appraisals or minimal option bids. The applicants must be the highest and best bidder at public auction. The Conservation Acquisition Board (CAB) unanimously concurred with this staff recommendation. He said staff and the grant applicants are present to answer any questions from the Board.

Bill Scalzo: I move the Arizona State Parks Board approve funding for the following three projects:

- Up to \$20,000,000 to the City of Phoenix for the purchase of 1,138(+/-) acres of the Phoenix Sonoran Preserve – Priority 2D and 3A
- Up to \$25,000,000 to the City of Scottsdale for the purchase of 2,000 acres of the McDowell Sonoran Preserve
- Up to \$7,000,000 to Coconino County for the purchase of 2,249 acres of Rogers Lake

The final grant amounts will be based on the Arizona State Land Department (ASLD) final appraisal value or minimum auction bid of the parcels, agreed upon by the applicants, plus no more than 10% for eligible associated costs. If the auction takes place

after October 26, 2010 the grant shall be awarded only if, after the November 2, 2010 election, money remains in the Land Conservation fund sufficient to pay the grant award. I further move the Executive Director or designee be authorized to execute the participant agreements.

Mr. Everett seconded the motion. Chairman Woodling asked the Board if they had any questions. Mr. Everett asked where Rogers Lake is located. Jeanne Trupiano, Coconino County Parks and Recreation department, said Rogers Lake is located approximately 10 miles southwest of Flagstaff.

The motion passed unanimously with Mr. Armer and Mr. Landry absent.

2. Consider Funding Non-Motorized Trail Projects with Recreational Trails Program Funds – Staff recommends awarding \$361,118 to five projects on the summary list (Attachment A).

Mr. Ziemann said the Recreational Trails Program is a federal fund that has two components. One is motorized and the other is non-motorized projects. Today the Board is approving projects for the non-motorized projects of the Federal Recreational Trails program. He said this summer the Arizona State Committee on Trails (ASCOT) recognized that there was some money available in this fund and went back to the seven participants that had Trails Heritage Fund projects cancelled when the Heritage Fund money was taken and asked the participants if they would like to continue their projects using this particular money. Five of the seven participants were ready to do so. There is almost \$3 million available. These projects would re-invest \$361,000 to these projects. These were taken to the Arizona Outdoor Recreation Coordinating Commission (AORCC) and they unanimously supported this action. These are projects that were already approved once by this board as Heritage Fund projects. Staff is thankful there is another source of money to finish these projects.

Chairman Woodling said there are seven projects listed on Attachment A (page 8 of the Board Packet) but only five are being awarded. Mr. Ziemann said those are the seven participants that had projects that were cancelled. Out of those seven only five were ready to complete the projects. Prescott National Forest and the City of Avondale were not prepared to move forward. Chairman Woodling asked if the Board would be approving up to \$361,118 if the motion is approved. Mr. Ziemann answered affirmatively.

Bill Scalzo: I move the Arizona State Parks Board approve that the five eligible projects on Attachment B that have requested RTP funding be awarded the amounts they requested up to \$361,118, and that the Executive Director or designee be authorized to execute the participant agreements.

Mr. Everett seconded the motion. The motion passed unanimously with Mr. Armer and Mr. Landry absent.

3. Consider Approval of the Law Enforcement Boating Safety Fund (LEBSF) Allocation Percentage Changes Based on 2009 Arizona Watercraft Survey – Staff recommends that the Arizona State Parks Board approve the allocation to Mohave County in the amount of \$314,200 and La Paz County in the amount of \$185,800 from the LEBSF for FY 2011.

Mr. Ziemann said ASP has traditionally allocated the monies from the LEBSF to eligible counties based on personnel needs and boat use days computed in the Arizona Watercraft Survey, which is completed every three years. The Arizona State Legislature allowed for ASP to use a portion of the LEBSF to operate ASP and limits the distribution of the LEBSF to two counties, La Paz and Mohave for a total of \$500,000 to those two counties. Staff recommends that the allocation to Mohave County be in the amount of \$314,200 and La Paz County in the amount of \$185,800. These amounts are factored from the Watercraft Survey and the percentages allocated. He told the Board the math is in the Board Packet if they would like to see it. He said AORCC unanimously concurred with this allocation distribution.

Alan Everett: I move that the Arizona State Parks Board approve the allocation to Mohave County in the amount of \$314,200 and La Paz County in the amount of \$185,800 from the LEBSF for FY 2011.

Ms. Baier seconded the motion. The motion passes unanimously with Mr. Armer and Mr. Landry absent. Mr. Scalzo commented that he is pleased the Board is spending this money. He said Mohave County is getting the larger amount because there are so many water activities in that County. This action shows the Board's reflection of those interests to help support water activities in various key places in the State of Arizona.

- 4. Consider Endorsing an Agreement with the Hopi Tribe for the operation of Homolovi Ruins State Park** - Staff recommends that the Arizona State Parks Board endorse the major components of the agreement with the Hopi Tribe for the reopening and operation of Homolovi Ruins State Park.

Mr. Ream introduced Norman Honanie, Tribal Council Representative, Hopi Tribe. Mr. Honanie said it has been long overdue that this partnership was developed. This partnership is something the Hopi Tribe has been reaching for. The Tribe wants the park to be as fast and efficient as it could be. The resolution is pending before the Tribal Council and has not passed yet.

Mr. Ream said the Tribal Council will meet on this issue but has not met yet. The agreement is finalized but is awaiting endorsement from the Hopi Tribe and then the Parks Board. The major components of the agreement are that the Park will be operated for 12-months by ASP employees. The Park was closed so ASP will have to hire new employees. The agreement is a one-year term with two additional options to renew. The Tribe will provide \$175,000 for the operation of the Park. There is already an agreement with the City of Winslow to reduce utility rates for water. ASP will provide quarterly reviews to the Hopi Tribe on revenues, special events and other operation procedures. Staff recommends that the Arizona State Parks Board endorse the major components of the agreement with the Hopi Tribe for the reopening and operation of Homolovi Ruins State Park.

Chairman Woodling said the staff recommendation is to endorse the major components of the agreement but the Tribe has not yet endorsed the agreement and raised the money. He asked for discussion from Ms. Bahl or the Board on this motion. Ms. Bahl said the Tribe has discussed this but has not yet identified the funding source for it. All indications are that it is a very positive discussion. Out of respect, the Executive Director asked the Board to consider tabling this motion until a future meeting to allow the Tribal Council to have a formal vote on it before the Parks Board does. Mr. Scalzo

commented that he is very encouraged by the Hopi community by reaching out to make this a true partnership. He told Mr. Honanie that his tribe is an example for the tribal communities in this state and hopefully nationwide to do this kind of partnership. He said he applauds the Hopi Tribe for coming forward and doing this. He said he would like to defer this motion only until the Hopi Tribal Council has the opportunity to take that action. Mr. Honanie thanked Mr. Scalzo for his comments and said he would take his comments back to the Tribal Council. Chairman Woodling directed staff to put this item on a future agenda.

5. Consider Endorsing an Agreement with the Town Star Valley for the Operation of Tonto Natural Bridge State Park – Staff recommends that the Arizona State Parks Board endorse the major components of the agreement with the Town of Star Valley for the operation of Tonto Natural Bridge State Park.

Mr. Ream said he would explain the next two agenda items somewhat together. This is a four-way ASP partnership - Town of Star Valley, Payson, Friends of Tonto Natural Bridge and ASP – all working together to keep Tonto Natural Bridge open. The Town of Star Valley voted on July 6, 2010 to offer \$5,000 to keep Tonto Natural Bridge open. The Town of Payson has been a contributor all along since Tonto Natural Bridge was closed to stabilize the lodge. They have contributed a total of \$45,000 to keep the Park open. The commitment at this time is \$15,000. This contribution keeps the park open five-days-per-week for 12-months. The Friends of Tonto Natural Bridge State Park was formed when the Park was closed for stabilization. They have been actively raising funds and they are ready to turn it over. There will be no agreement with the Friends group because they are a non-profit. The money is accepted as a donation. The total amount from Payson, Star Valley and the Friends of Tonto Natural Bridge is \$30,000 plus in-kind services and will keep the park open five-days-per-week. He asked the Board to consider an agreement with the Town of Star Valley for the operation of Tonto Natural Bridge. Star Valley will subsidize the operation at the \$5,000 level. The Park will retain the revenues generated. Staff recommends that the Arizona State Parks Board endorse the major components of the agreement with the Town of Star Valley for the operation of Tonto Natural Bridge State Park.

Tracey Westerhausen: I move that the Arizona State Parks Board endorse the major components of the agreement with the Town of Star Valley for the operation of Tonto Natural Bridge State Park.

Mr. Everett seconded the motion. The motion passed unanimously with Mr. Armer and Mr. Landry absent.

6. Consider Endorsing an Extension to the Agreement with the Town of Payson for the Operation of Tonto Natural Bridge State Park – Staff recommends that the Arizona State Parks Board endorse the major components of the extension to the agreement with the Town of Payson for the operation of Tonto Natural Bridge State Park.

Mr. Ream said Mayor Kenny Evans was the first community leader to offer funding for the operation of a state park. When the park was closed for stabilization, the Town of Payson provided funds to pay for seasonal rangers to keep the park open on weekends.

The Town then gave an additional \$24,000 last summer to keep the park open. To continue this partnership, the existing agreement will be amended to include these major components. The Park will be open for 12-months. Payson will provide \$15,000 or the operation subsidy and Payson will provide volunteers for the operation of the park. The Town is also working on an in-kind agreement for water testing and other things at the park that will reduce the operating costs. He said staff recommends that the Arizona State Parks Board endorse the major components of the extension to the agreement with the Town of Payson for the operation of Tonto Natural Bridge State Park.

Tracey Westerhausen: I move that the Arizona State Parks Board endorse the major components of the extension to the agreement with the Town of Payson for the operation of Tonto Natural Bridge State Park.

Mr. Everett seconded the motion. The motion passed unanimously with Mr. Armer and Mr. Landry absent. Mr. Scalzo commented that ASP uses this money effectively with minimal staffing. The revenues that come in help to subsidize the missing parts. The model is outstanding. The Board and staff should thank all of the cities and counties that have come to ASP's aid because it is affecting lives.

7. **Consider Approving Proposed Adjustments to Kartchner Caverns State Park User Fees** - Staff recommends the Arizona State Parks Board increase Kartchner Caverns State Park fees for the Rotunda Throne Room Tour to \$12.95 for ages 7-13 and \$22.95 for Adults age 14 and up. Fees will be effective on December 1, 2010 for all reservations made on or after that date. Any reservations made prior to December 1, 2010 at the previous rate will be honored.

Mr. Ream said it is not unusual for staff to address Kartchner Caverns fees separately from all of the other parks. It is a different type of park and park operation. If these fees are approved, they will take effect on December 1, 2010. At its May 19, 2010 meeting, the Parks Board authorized staff to seek public comments. Staff received a total of nine comments. Eight of those were against and one was favorable. This revision is for only one cave tour, the Throne/Rotunda Room. The revision would change the fees for those aged 7-13 to \$12.95 from \$9.95 and for those aged 14 and up to \$22.95 from \$18.95. These prices include the \$3 reservation surcharge. It is anticipated that the changes will result in an increase in revenues from \$150,000 to \$200,000 per year. This tour will now have the same price as the Big Room tour. Some visitors thought the Throne/Rotunds tour was not equal to the Big Room tour because of the price difference. Staff believes the experience is equal on both tours. Staff recommends the Arizona State Parks Board increase Kartchner Caverns State Park fees for the Rotunda Throne Room Tour to \$12.95 for ages 7-13 and \$22.95 for Adults ages 14 and up. Fees will be effective on December 1, 2010 for all reservations made on or after that date. Any reservations made prior to December 1, 2010 at the previous rate will be honored.

Bill Scalzo: I move that the Arizona State Parks Board increase Kartchner Caverns State Park fees for the Rotunda Throne Room Tour to \$12.95 for ages 7-13 and \$22.95 for Adults age 14 and up. Fees will be effective on December 1, 2010 for all reservations made on or after that date. Any reservations made prior to December 1, 2010 at the previous rate will be honored.

Ms. Baier seconded the motion. Mr. Everett commented that staff might create promotions for permanent residents in the area. Mr. Ream said staff does target certain areas for

promotions for Kartchner Caverns and other parks as well. Mr. Scalzo commented that there have been significant studies about State and National Parks and fees. These have showed that when fees were increased visitors believed they were getting a greater value and attendance went up. He said he didn't think it would cause any negative impact. He said it may actually boost attendance. The motion passes unanimously with Mr. Armer and Mr. Landry absent.

- 8. Consider Issuing a Request for Proposal for the Operation of Lyman Lake State Park** - Staff recommends the Arizona State Parks Board authorize the Executive Director to prepare and issue a Request for Proposal (RFP) for the operation of Lyman Lake State Park. Staff will provide a recommendation for contract award to the Parks Board for approval.

Mr. Ennis said Lyman Lake opened in 1961 and is comprised of 920 acres. The acreage is shared between the Lyman Water Company (160 acres), ASLD (320 acres) and the Bureau of Land Management (BLM) (520 acres). Over the years, ASP has made a considerable investment in the area of stations, meeting areas, watercraft facilities, campgrounds and so forth. In the last full year of operation, it had approximately 37,000 visitors with revenues of \$133,000. It had expenditures in that year that were \$377,000. The Park was closed in February 2009. ASP then signed an agreement with Apache County to pay \$40,000 that enabled the park to stay open from May 24, 2010 until September 7, 2010. Although Apache County would like the park to stay open, they do not have the funds to do so nor does Arizona State Parks. Staff is hoping that through the RFP process another public or private partnership will come forward. Since there are leases with the property, the RFP will require a certain amount of due diligence to find out what each property owner will want in terms of a potential transfer. A proposed operator would be required to give ASP a proposed operations plan, maintenance schedule and any development, maintenance, staffing and program plans they might have.

Chairman Woodling asked if there are any revenue figures for the summer months that it was open. Mr. Ennis said he had figures with him for July and August 2010. He said through August \$44,000 was generated in gross revenue. In August of 2009, \$37,000 was generated in gross revenue. He said that is up because fees were increased. Attendance was down in this year-to-date period. Nearly 12,000 people attended the park in July and August of this year compared to 14,300 in July and August of 2009.

Ms. Westerhausen asked about the status of law enforcement at the park. Mr. Ream said when park is fully is operated, there are two law enforcement officers stationed there and live on the park. They provide security and other administrative duties as part of their jobs. Currently there is one law enforcement officer there who is presiding over this closed park. Staff is trying to keep it from being vandalized or encroached upon during this closed period.

Mr. Scalzo commented that he applauds staff for looking at various options including a private and public partnership to operate this facility. It's a critical facility in the north eastern part of Arizona. ASP will need to look at these private and public options at other facilities depending on how the property is owned and other restrictions on the property. This is a great opportunity for the private sector to give ASP proposals that would make this park a public facility that would continue to be open and operational.

Bill Scalzo: I move that the Arizona State Parks Board authorize the Executive Director to prepare and issue a Request for Proposal (RFP) for the operation of Lyman Lake State Park. Staff will provide a recommendation for contract award to the Parks Board for approval.

Mr. Everett seconded the motion. The motion passed unanimously with Mr. Armer and Mr. Landry absent.

9. Consider Retroactive Approval of Revised FY 2011, FY 2012, and FY 2013 Strategic Plan to the Governor's Office of Strategic Planning and Budgeting (OSPB) – Staff recommends that the Arizona State Parks Board approve the three-year Strategic Plan for FY 2011, FY 2012 and FY 2013 and the Executive Director be authorized to carry out the programs as required.

Mr. Ennis said staff is asking the Board to retroactively approve the revised Strategic Plan as it was due to the Governor's Budget office on September 1, 2010. He said all state agencies are required to submit a plan and budget materials for FY's 2011-2013. This is a formattic template that each of the agencies is required to submit each year to OSPB. These performance measures have been used by ASP for many years. In the OSPB submission, staff tried to address the many changes including the closing of parks, reduction of funding, the elimination of grant programs and so forth. This template is set in stone and staff believes it is not adequate to describe the new agency as it exists today.

Chairman Woodling asked if this is required by the Legislature and Governor's Office. Mr. Ennis answered affirmatively.

Tracey Westerhausen: I move that the Arizona State Parks Board approve the three-year Strategic Plan for FY 2011, FY 2012 and FY 2013 and the Executive Director be authorized to carry out the programs as required.

Mr. Everett seconded the motion. The motion passed unanimously with Mr. Armer and Mr. Landry absent.

H. DIRECTOR'S SUMMARY OF CURRENT EVENTS – The Executive Director may update the Arizona State Parks Board on special events and accolades.

Ms. Bahl said there were successful events this summer at Fort Verde State Historic Park. Volunteers donated 300 hours to make improvement to the facility. She reminded the Board that there is only one staff person there so volunteer hours are very important.

Ms. Bahl said the company Odwalla, who have a healthy line of smoothie drinks and energy bars. They had an online contest "Pick your State to plant trees." As a result ASP will receive \$1,200 to plant heritage pear trees at Slide Rock.

Ms. Bahl said the Coca-Cola company had a "Your Favorite Park" campaign. People across the nation could vote as many times as they wanted for their favorite state or national park. There are about 7000 state and national parks in our nation. Staff decided to choose one park to focus voting on. That park was Kartchner Caverns that staff felt would likely receive the most votes. The Park came in 10th in the whole nation and beat all other Arizona state and national parks.

Ms. Bahl said the Arizona Game and Fish Department gave ASP a used truck but their used truck is newer than any of our existing trucks. This truck is now being used at Fool Hollow Lake for law enforcement. Game and Fish are paying for repairs and maintenance

and ASP will only have to pay for gas. ASP continues to have a great partnership with the Game and Fish Department.

Ms. Bahl said everyday ASP's rangers work to provide a safe, fun and educational environment for our visitors. Everyday they perform unnoticed acts of heroism. This August Ranger Tom McGregor rescued a young teen from drowning at Lake Havasu. Ms. Bahl said she is proud of Tom and all of ASP's rangers everyday but this is just one of the things ASP's rangers do.

Ms. Bahl said this calendar year ASP began an employee recognition program. These employees are peer nominated and are selected for their good work. There have been three quarterly awards and they were awarded to Rachel Thompson from Kartchner Caverns, Laura Garguilo, Phoenix Office, and Ray Warriner, Phoenix Office. They receive 8 hours off or one day off as a reward. This award is peer nominated and peer selected and she is very proud of them.

Ms. Bahl said Arizona Highways Television will have a feature on camping that was filmed at Fool Hollow Lake. It will focus on camping and how to build a campfire. It will be shown on NBC Channel 12 in October. Ms. Bahl said, thanks to Apache County, Lyman Lake was open for the Fourth of July event. She said 360 people came on Friday before the Fourth of July and 1,600 people came on Saturday.

Mr. Scalzo commented that during the month of August Ms. Bahl was selected to be a member of the American Academy of Parks and Recreation Administrators. He said she is only the fifth person in Arizona to receive that honor and only one of a few that are State Park Directors. That group only has 115 professional members and so to get on it is not easy. She was voted on by 2/3 of the voters. Ms. Bahl thanked Mr. Scalzo for nominating her.

I. DISCUSSION ITEMS

1. Legislative Update including but not limited to Proposed Legislation

Mr. Ziemann said the primary elections were held a few weeks ago and the results show the legislature will not change very much. He said ASP is in discussions with Arizona Department of Transportation (ADOT) and the Governor's Office to eliminate the Watercraft Survey and instead establish in statute the percentage that would come to the State Lake Improvement Fund (SLIF). The Watercraft Survey is done every three years and tends to over estimate the amount of gas attributable to boats that eventually finds its way into the SLIF. Currently it over estimates one way or the other and the goal is to have a statute established to base it on historical averages instead. The benefit to the State would be that the cost to the study would be eliminated. The discussions with ADOT have been positive and are pursuing this with the Governor's Office to decide whether legislation will be pursued. He said he will keep the Board informed as this proceeds.

2. Status of Legal Challenges to Legislative Budget Actions

Ms. Hachtel said at the meeting in January 2010, the Board was advised of a few legal cases that were moving through the court system that challenged the Legislative sweeps. There were four cases in particular. She said she would update the board on each one. She reminded the Board that if there are particular questions she would answer them but if they want to know the specific impact on ASP then the Board would have to go into Executive Session or it could be put on the agenda of a future Board meeting.

Ms. Hachtel first spoke about the Arizona Farm Bureau Federation vs. Napolitano case. That case was brought by the Farm Bureau, an independent non-governmental organization. The issue in that case was \$161,000 worth of fees and donations that were swept into the general fund. The fees and donations were collected for a specific purpose. The marketing promotion and research of agricultural products produced in Arizona. There were competing motions for summary judgments filed in Superior Court. That Court found that the monies were not general fund monies that could be swept or utilized for any legislative purpose. The Farm Bureau won that one and the State is now appealing. It is currently in the Court of Appeals. There is no final decision on that yet.

Ms. Hachtel next spoke about the Arizona Association of Chiropractic vs. Brewer case. That lawsuit was brought by a variety of health related state professionals and associations. They claim that sweeps of the funds that finance the regulatory boards was unconstitutional and amounted to an illegal taxation. Boards such as the Arizona Pharmacy Board, the Arizona Board of Examiners and the Arizona Medical Board were affected by the sweeps. Although they were affected by the sweeps, they were not parties to this litigation. The budget of those boards was that 10% of the fees went to the general fund and the other 90% went to fund the Boards. The Legislature passed bills to transfer \$13.2 million above the 10% into the general fund. In this case there were motions for summary judgment. The Superior Court found in favor of the Legislature. The Court found that the legislation was a permissible exercise of the Legislature's appropriation authority. The Court rejected that the Legislature held the funds in trust or as a custodian for the Boards. They found there was no prohibition on the Legislature revising the percentage of these licensure fees that goes in the general fund. That case is now on appeal.

Ms. Hachtel said the third case is the Arizona Child Development and Healthcare Board vs. Brewer. That lawsuit was a special action filed in the Arizona Supreme Court. The Legislature had ordered that \$7 million in interest income be transferred from the Early Childhood Development Health Fund to the general fund. The Fund's Board brought this special action arguing that the transfer was unconstitutional. The petitioners argued that the Legislature didn't act within its authority when it transferred income earned on the revenue into the general fund. The issue concerned the interaction of two measures – the Voter Protection Act and the statutory amendment known as the Arizona Early Childhood Development and Health Initiative. This is the tax on tobacco products. In this case the Arizona Supreme Court ruled in favor of the Fund.

Ms. Hachtel said the fourth case is the Science Foundation of Arizona vs. State of Arizona. The Science Foundation is a non-profit organization that was formed in 2006 with the goal of pooling public and private dollars for research, technology, science, math and education in Arizona. The Science Foundation filed the lawsuit arguing that the State breached a contract when the Legislature swept \$18.5 million from the 21st Century Fund for work that had already been completed. The Science Foundation prevailed in Superior Court. The Superior Court stated that it didn't have the power to order the Legislature and the executive branch to appropriate the money to satisfy the judgment. Ultimately, the lawmakers approved an \$18 million payout for the work that was completed prior to them cancelling the contract. This case was resolved.

Ms. Westerhausen asked if Ms. Hachtel is aware of any government agency such as the Department of Administration suing the Legislature. Ms. Hachtel answered no.

3. Update on Revenue Forecast by Major Fund and Park Visitation

Mr. Ennis said he would update the Board on the first two months of this fiscal year. He said the Enhancement Fund is ahead of forecast because of the fee increase that went into effect in March. To date, that fund is up approximately 14% percent and that is good news. There is a decline in attendance system-wide, which is of concern in the first two months, even on a seasonally adjusted basis.

Mr. Ennis said the SLIF is one of the most stable revenues and is right on target this year. As Mr. Ziemann said ASP is in this SLIF Watercraft Survey period, which is historically below state allocation, that ASP may attempt to change legislatively.

Mr. Ennis said OHV was a little below forecast but is on forecast for August and ASP is expecting \$2.5 million this year for this revenue and at the moment there are no concerns there.

Mr. Ennis said ASP is budgeting for the Growing Smarter Funds to be swept back. The other factor is the incredibly low interest rate environment. He said if the Growing Smarter money is taken, then ASP could earn about \$5,000 a month which is essentially, by comparison, close to zero.

4. State Parks Operations Status Update

Ms. Bahl updated the Board on the operational status of each state park. She said the first group consists of nine parks. These parks were never slated to close. They are the highest visited parks and the ones that bring in the most revenue. These remain open and operating. These are: Buckskin Mountain, Catalina, Cattail Cove, Dead Horse Ranch, Fool Hollow Lake, Kartchner Caverns, Lake Havasu, Patagonia Lake and Slide Rock.

Ms. Bahl said the next group consists of eight parks. These parks are operated by ASP but only because communities have provided assistance. Without the help of local communities and non-profits these parks would not be open. Each case is unique. The financial assistance ranges from \$30,000 at Alamo Lake to \$160,000 at Red Rock. ASP is proud to continue to operate these. These are: Alamo Lake, Fort Verde, Lost Dutchman, Picacho Peak, Red Rock, Riordan Mansion, Roper Lake and Tonto Natural Bridge.

Ms. Bahl said the next group consists of five parks. These parks are open to the public but without ASP staff or financial assistance. These five parks have been completely turned over to local entities who, right now, are able to keep them open to the public. The local entities collect the user fees there. These are: Boyce Thompson Arboretum, Tombstone Courthouse, Tubac Presidio, Yuma Territorial Prison and Yuma Quartermaster Depot.

Ms. Bahl said parks there are currently six parks closed to the public but each with some good news. The first is Homolovi Ruins. Today Mr. Honanie said the Tribal Council is expected to consider the financial support in an upcoming meeting. Assuming the Tribal Council approves the agreement, and after the Parks Board endorses it, then staff will move to re-open the Park. The \$175,000 would keep the park open all year long including the campground. Jerome State Historic Park will open to the public on October 14, 2010. Yavapai County has contributed \$30,000. This would make up for the operating loss. It will be a five-day-per-week operation and operated by ASP. The issuance of an RFP for Lyman Lake State Park was just approved. Staff hopes it can work with an outside entity to re-open that park for public use. Previously the Parks Board approved an agreement with the Town of Florence to turn McFarland State Historic Park over to the Town. The

agreement is still being finalized. An RFP has been issued seeking an operator for Oracle State Park and the status of the RFP will be discussed at this meeting. San Rafael has never been open to the public but the Board previously approved an agreement for a rancher to graze there to help minimize the fire hazard.

Chairman Woodling asked Ms. Bahl if she had an update on the fire situation at San Rafael. Ms. Bahl said the grazing has been very helpful and the cattle has been able to appreciate it. She said staff would continue to work on a long-term plan there. She said it would have to go through the competitive process but ASP would not let the land sit. Chairman Woodling asked if there is any thought to open the historic buildings. Ms. Bahl answered no.

Mr. Scalzo commented that it is wonderful to see many of the historic facilities that are tough to find resources for are now being maintained through the process of agreements and are open.

5. Update on State Park Construction Projects

Mr. Ream said there are a number of projects going on at Buckskin Mountain and the River Island unit. One is the new well. It is a multi-phase project. Another project is the stabilization of the shoreline. Most of the shoreline amenities are being undercut since development on the other side of the river changes the rivers course and causes erosion. These are Heritage Fund and Federal Land and Water Conservation Fund projects. These are funds that can only be spent on capital improvement projects.

Mr. Scalzo asked if BLM and concessionaires at Buckskin are helping with the erosion problem. Mr. Ream said no. He said the partnership with BLM is still being formalized and the concessionaire has not been approached about this because the contract is in its last few years and there is no provision in the current contract to help with capital improvement of ASP amenities. However, they could be approached. Ms. Bahl said it is a good idea and staff will bring that up.

Mr. Ream said the last project at Buckskin Mountain is resurfacing the ramp. He said launching on a river is different than launching on a lake. The current could take your boat, vehicle and truck and pull it right into the middle of the channel. The surfaces on the launch ramps are getting smooth and without friction the boat, vehicle and truck could be pulled into the middle of the channel.

Mr. Ream said at Lake Havasu State Park there are new boat dock launch ramps that were paid for by the Arizona Game and Fish Department using federal dollars and a donation from the Lake Havasu Marina Association. These projects cost ASP nothing. The improvements have helped the launching and getting people in and out off the water because these are great new docks. ASP is looking forward to have docks like this, as part of this federal project, at Alamo Lake and Fool Hollow Lake. Arizona Game and Fish Department will provide docks at those parks as well. Mr. Scalzo asked where the money is coming from for these. Mr. Ream said Game and Fish are using federal dollars they receive for boating amenities. Mr. Ream said at Lake Havasu State Park staff has developed a new parking area. It holds 100 boat trailers and vehicles to ease the over crowding on weekends. This is only used on weekends and during the summer. He said originally it only held 70 cars but staff re-configured and re-striped and it now holds 100.

Mr. Ream said Fort Verde State Historic Park would be getting some funding. There is a great volunteer cadre there. Staff will buy materials so volunteers could make repairs throughout the year. The line plaster has to be removed and then replaced and it has to be done on a regular basis. There may also be a roofing project as well.

Mr. Ream said the Jerome stabilization project is winding down. Staff is busy readying the facility for the re-opening on October 14.

Mr. Ream said at Lost Dutchman State Park, work would begin in October to electrify the campground. That project has a number of phases including restroom/shower building, maintenance building, day-use parking area which is completed, and HVAC at the contact station. Parking is a huge issue at Lost Dutchman. Most of that project was completed in house.

Mr. Ream said Tonto Natural Bridge and Roper Lake will be replacing their port-o-potties with vault toilets. At Roper Lake the port-o-potties are serving eight cabins. The vault toilets are much cleaner and have more capacity. It also eliminates a great deal of smell.

6. Presentation by Bureau of Land Management (BLM) on Property Restrictions and Partnership Opportunities. Time Certain: 11:30 A.M.

Chairman Woodling introduced Mike Taylor, Deputy State Director, from the BLM. Chairman Woodling said Mr. Taylor would discuss Property and Restrictions and Partnership Opportunities mainly centered around Lake Havasu State Park.

Mr. Taylor thanked the Board and Ms. Bahl for allowing him to explain the tools that the BLM has utilized for many years to help provide land for various public opportunities including many of the State Parks as well as City and County Parks. He said this is called the Recreation and Public Purpose Act. That Act was a rendition of what was called the Recreation Act. That was redone in 1954 to stress the opportunity to provide public lands, BLM lands (the only lands available to be used under this act), for the use of public and non-profit entities for the creation of public purposes. Public purpose includes things such as fire stations, museums and libraries. He said ASP have taken advantage of this act over the years and have about eleven units. What is important about this Act for everyone to understand is how the lands need to be operated when transferred under this Act. The Act provides for a very discounted fee schedule for various recreation uses. Right now the uses can give up to 6,400 acres of land to a governmental entity for nothing – no price list whatsoever, no cost charge – for recreation purposes. There are levels of charges depending on what other activities are being proposed. It is a very good thing for local and state government entities to provide open space, provide park areas, particularly when lands that are in close communities are costly.

Mr. Taylor said there are approximately eleven units that BLM has in lease or patent with ASP. There are requirements for getting land transferred over. First an application is needed. There is a plan development that is required. This will say what the place will be used for, time frames for building facilities and an operation plan. That part outlines and gives assurance to the federal government that this will take place. At that time, a five-year lease is usually issued but sometimes can be longer depending on the operation plan. Once the plan has been reasonably completed a patent can be issued for that land to pass the title of land over to the entity that has applied. In the case of ASP, some parks are still in lease status and some have been patented. Those are all subject to the various specific

issues surrounding those. A very important part of the Act is when lands are patented, there is a deed restriction that goes into place. That requires that the land be utilized for the specific purposes that they were applied for. If there is any change in that without going through the change of lease process through the BLM, the lands can be reverted back to the federal government. Mr. Taylor said that has never happened that he is aware of but there have been instances where the change requirement is not understood and something is done contrary to the nature of what the lands were patented for. For instance, an entity wanted to come in and set up a commercial operation. That was money to feed the unit and found that was an inappropriate use of the land. BLM spoke with them and they realized it was problematic and changed their plans.

Mr. Taylor said that leads to a question that BLM hears often which is, "What about the disposition of fees that come into the parks." For instance, if one of the parks plans a development such as a bookstore or restaurant in the area board, that could be fine as long as what is being done provides a needed service. The funds that come back from any operation in the park must go back into the park or unit itself. That is the nuance that entities have the most issues with. That is basically an overview of how the Recreation and Public Purposes Act works.

Mr. Taylor said he also wanted to talk about cooperative work that BLM has been doing with ASP. Over the years, ASP and BLM have worked closely on various items because various parks are based on BLM land. More recently, ASP has a new director as well as BLM and they have been looking at ways to cooperate and jointly manage things and help each other out. He said it is safe to say that Arizona has one of the best recreation and vacation opportunities the country has. The recreating public expects to be able to have an opportunity to use the lands. BLM manages 12.2 million acres of land in Arizona. However, there are various levels of uses such as developed uses. BLM has been doing much that has been facing ASP such as loss of revenue and staff. Both BLM and ASP need to do what they can to help each other out such as staffing, grant opportunities, sharing information, providing information to the public and working closely together to provide good recreational opportunities to the general public.

Mr. Taylor asked for any questions from the Board. Ms. Westerhausen asked Mr. Taylor to clarify if the money coming into a park must go back into that specific park or could it go towards a system of parks. He said it depends on how the particular patent or lease was applied for. For instance, if a number of units are applied for at the same time then the BLM looks at them as one unit.

Chairman Woodling said he understands there are three ways that BLM can work with a State Park through a deed, patent or lease. He said a deed through some process has been deeded over to ASP for a certain park but asked Mr. Taylor to explain what how a patent works for a land transfer. Mr. Taylor said in BLM's vernacular that is when first time land leaves federal ownership. For instance, land that is left over and managed by BLM after other transactions have taken place over the years such as homesteads, land given to the State as part of the Enabling Act, military reservations, Indian reservations, park land and forest land, etc. These were all public, BLM managed lands initially. When BLM transfers the land out then it is considered ground zero and at that time it is called a patent. In a lease, a formal transfer of ownership has not taken place yet. A deed refers to situations where the land left under such things as a mining claim then came back to the federal government. Once it is transferred over, then it is no longer a patent and is now a deed.

Chairman Woodling said the patent, lease, or deed are all under the Recreation and Public Purposes Act and under the same regulations. Mr. Taylor answered affirmatively.

Mr. Everett asked if ASP has the authority to sub lease or assign a lease to another government entity agency. He said, for example, Lyman Lake. Could it be assigned to Apache County? Mr. Taylor said it could be done but ASP would still hold the title to the property and would still be required under law to meet the terms and conditions. ASP could also divest itself of the property and in that case, the land would revert back to BLM and would need to come back to BLM in the same condition that it went out. There is the requirement of taking care of infrastructure as well. Mr. Everett asked if a parcel was assigned to another government agency and the other agency then that agency would still have the same requirements. Mr. Taylor answered affirmatively. He said the other agency would still have the same requirements in order to hold the land and use the land for what it was meant to be used for.

Ms. Westerhausen asked, with regard to the Colorado River parks, do the patents and deed restrictions say that the money that is generated there must go to benefit the State or could it be interpreted so that those monies generated from the Colorado River parks could, for example, go to Lake Havasu City. Mr. Taylor said that he does not have the specific deeds in front of him but answered that the requirement is that it must come back to the park or unit. If Lake Havasu City, was holding the deed or patent as ASP now are, then it would have to go into management of the park and stay there with that park.

Chairman Woodling said that ASP has quite a few parks that are under lease or patent with the BLM so we can use that park for other parks even if it is generated at a different site. Mr. Taylor said it depends on the specifics. The Colorado River parks are linked together but ASP is still the party of record that holds the property. If there was an arrangement with Lake Havasu City to manage the park then that money would have to go back into the park. There would have to be some legal transaction that would have them be your operator for you or they would have to go through a complete change in that altogether but the money would still have to go into the operation of the park.

Mr. Scalzo commented that he has known Mr. Taylor for 20 years and Mr. Taylor knows real estate better than anybody Mr. Scalzo has ever met in the federal agencies. He said Mr. Taylor has worked with counties and states to make sure they maximize the use of these lands for public purposes. That is the critical part. He said if you want to be successful then you go to BLM at the beginning of a process and you work with them.

Mr. Taylor said he would give a bit of an overview of the situation at Lake Havasu. He said there are over 20 entities that have responsibility on that lake including Indian tribes, two counties from two states, two states, two state agencies, cities, ASP, Game and Fish Department, BLM, etc. It is extremely difficult for the public to know who covers that land. There are still quite a bit of different ownerships. The City has some. The City also has Recreation and Public Purpose Act leases from the BLM. ASP and ASLD also have some pieces there. There is a resource management planning effort that was completed about 4-5 years ago. As part of that plan, BLM is still striving to address that whole lake management and situation in a cooperative management manner. BLM tries to bring folks together to address the complicated jurisdictional issues and land issues. There has been some progress on that and have worked with ASP on the properties out there. Part of that

included ASP relinquishing a lot of the infrastructure many years ago including boating camps.

7. Update on Lake Havasu State Park, Operations, Capital Development and Property Restrictions

Ms. Bahl said the Board had a special meeting on April 29, 2010, at that meeting the Board asked for an update on a number of issues including for Lake Havasu a cost analysis, re-evaluate fees and potential revenue, to do an analysis on feasible agreements for operation, lease due diligence and a capital improvement plan. She said staff have been working on those and have updates on some. In the past there was a focus on customer experience and keeping up with capital improvements. That has changed in recent years. In FY 2009, Lake Havasu State Park netted about \$37,000 in revenues and in FY 2010 netted about \$250,000. In the past couple of decades, the state has invested over \$16 million in capital improvements at Lake Havasu State Park.

Currently ASP has a contract to complete the design for an additional parking lot and launch ramp. The contract is for the design not the actual improvement. The design will cost about \$300,000. ASP will need to secure funding for the development but it will be much easier to do when there is a plan on the ground. Since the spring, ASP has added 100 parking spaces within the Park. Lake Havasu City has opened up their parking lots and that has added 150 spaces that are utilized for launch and leave. Now there is adequate parking with the existing launch ramps, but there is a need for additional launch ramps. Chairman Woodling asked if there is money to pay for that design. Ms. Bahl answered affirmatively. There are also proposed projects that have been approved but are not funded right now. These include electrification of campgrounds, water system upgrades, and a fire line. Right now these are not being pursued but ASP's first priority would be to add the launch ramp with parking. Someday ASP would like to expand parking, the roads, many new launch ramps instead of just one, and restroom/shower buildings as well.

Ms. Bahl said the Board has heard from BLM on different uses and operations of the land at Lake Havasu State Park and in general on what can and cannot be done on those lands. That was part of the follow-up from that earlier meeting. Now staff will continue to work on cost analysis and looking for funding to implement the capital improvement plan.

Ms. Bahl said at Lake Havasu State Park revenues are up and visitation is the same as last year. Chairman Woodling said the visitation looked like it was up for FY 2010 compared to FY 2009. Ms. Bahl said in FY 2010, there were 340,000 visitors and in FY 2009, there were 337,000 visitors.

Ms. Westerhausen asked what fund would be used to build launch ramps if there was money for that. Ms. Bahl answered that she couldn't identify a fund source since ASP does not have any but typically it would have been appropriate to use SLIF or the Enhancement Fund. This would likely qualify for the federal Land and Water Conservation Fund but that requires a 50% match.

Chairman Woodling asked about projects not approved and not funded. He asked if there was a possibility to get money from ADOT for roads and parking. Ms. Bahl answered that would be seemingly acceptable use of ADOT money. There are some projects in the hopper already with them at some of ASP's other parks. Chairman Woodling asked if ADOT would be agreeable to extending their road to a launch ramp. Mr. Ream answered

that ASP has never asked ADOT specifically about that. He said they are willing to do the design of both so there is a possibility that they would do the construction of both. Chairman Woodling asked if ASP is still receiving \$2 million per year from ADOT on road improvements. Mr. Ream answered that that was reduced two years ago to \$1 million per year. There is a potential for \$5 million per year by statute but ADOT is holding the money right now while they look at their entire budget. He said ASP is in talks right now with ADOT on the projects that are in the hopper right now.

Chairman Woodling asked Charlie Cassens, City Manager, Lake Havasu City if he would like to speak. Mr. Cassens said with respect to the ADOT funds and whether they could go to funding a launch ramp and other facilities like that. The answer is absolutely, yes. He said many of the items on the Capital Improvement Plan list are park ADOT projects including the personal watercraft facility which consists of a launch ramp and parking. Most of these projects are ADOT eligible.

Chairman Woodling thanked Mr. Cassens for taking the trip to Phoenix. Ms. Westerhausen asked Mr. Cassens to encourage the legislature to fund State Parks and then ASP could build some launch ramps.

Mr. Scalzo said that recently the Board increased the cost of the annual pass to make it more accessible for residents of Lake Havasu. He asked staff how that is working. Ms. Bahl answered that originally staff recommended there be no annual pass, the community said they would prefer to have the annual pass. It was then increased to \$200. The revenue is higher in FY 2010 compared to FY 2009. There was a big increase in purchases of annual passes in February because that was at the lower fee. The net revenues still show that it is helping. Mr. Scalzo said that is then helping residents to have a more affordable visit because if they are going frequently and were paying the daily fee that would be higher in comparison. Ms. Bahl concurred. She said the daily fee on the weekends in the summer is \$15.

8. Status Update on Request for Proposal for Concession Services at Dead Horse Ranch State Park

Chairman Woodling asked about the situation with Dead Horse Ranch. He said there was to be an RFP for a store and a concession where horses would be rented. Ms. Bahl said Mr. Ennis would give the report. Mr. Ennis said an RFP was issued on May 27, 2010 and closed on July 8, 2010. Only one proposal was submitted. Therefore, staff cancelled the RFP on August 30, 2010. Staff is looking to talk to people who staff had expected to bid on this, find out why they did not bid, and then refine the RFP with that information. Then staff will bring that proposal back to the Board. Chairman Woodling asked if there was a timeframe. Mr. Ennis answered not yet but as soon as possible.

9. Update on Release of Request for Proposal for the Operation of Oracle State Park

Mr. Ennis said the RFP was issued on August 19, 2010. They are due back on September 23, 2010. There was a pre-proposal meeting held at the Park on September 2, 2010. There were three organizations that attended the meeting. They asked a lot of questions. The budget was due on September 1, 2010. At this time, staff does not know how many proposals may come in and it would be speculative to say at this time. Organizations were not required to attend the pre-proposal meeting and so staff may receive more than three proposals. Chairman Woodling asked when those proposals are due back. Mr. Ennis said

they are due back on September 23, 2010. Staff will report back to the Board at the October meeting after proposals are received.

10. Sustainable Funding Strategies

Mr. Ziemann said staff continues to meet with groups interested in sustainable agency funding. Although the group no longer legally exists, the group formerly known as the Governor's Sustainable Task Force, met on July 8, 2010. They continue to have great interest in seeing the task through. Another group convened by the ASPF met on August 19th. Their initial work is to begin to identify and have a lawyer identify a scope of a potential initiative. They will also look at the constitutionality issue of the license plate surcharge. The thing the groups are wrestling with now are whether there should be a small tent and only look at ASP issues/needs and try to solve those or have a larger tent and look at re-establishing the Heritage Fund or continue to work with groups such as the arts and culture organizations. That arts and culture group has gone on hiatus but they have raised \$3 million in preparation for doing an initiative. They might not be a bad group to partner with. These groups will continue to meet and these things will continue to evolve and staff will be actively participating in those discussions and will continue to report back to the Board.

Mr. Scalzo said the Board should especially thank the ASPF for continuing this effort. They are putting a lot of time and energy trying to bring these groups together for the good of ASP even though they are not affiliated with ASP. They are a stand alone group. He said he appreciates Mr. Ziemann for going to these meetings and working with a diverse group. It is good these groups are attempting to work together.

Mr. Ziemann said he would like to acknowledge the efforts of Cristie Statler and President of the ASPF Bill Meek. ASP appreciates Bill Meek's efforts on behalf of ASP.

Chairman Woodling asked Mr. Scalzo if he is involved with these efforts since he was on the Governor's Task Force. Mr. Scalzo said that he did not attend the last meeting with all of the groups but attended the July 8 meeting. He said the business people especially have been very helpful. They really believe how important ASP is to tourism. The Tourism group were especially concerned about the negative impact that has been going on in this state and the perception. They want to be sure that whatever happens they have a role and that is good. They understand how keeping parks open benefits them. The hotels do better if a State Park is open than if it is closed. There is a real drive from the business community. That is part of this partnership. The business community has the money to get behind this initiative. He congratulated Mr. Ziemann and Mr. Meek for their efforts and also Rich Dozer who has been very generous with his time and energy.

11. Draft Agency Strategic Plan

Ms. Bahl said staff has put a lot of work into this strategic plan. She said since the Board approved a new vision at the June Parks Board meeting, staff have created goals and objective to the meet new vision and to meet the mission. The October 2010 Parks Board meeting will focus on the strategic plan. Today the Board is being distributed the plan so members could become familiar with it. Ultimately, the Board will be asked to approve the goals and objectives. The actions and strategies have been included for the Board to review. These give the Board an idea how staff would implement the goals and objectives but they are fluid and do not need the Board's approval. Ms. Bahl said she is pleased with this draft. It is a great starting point and there will be wonderful discussion in October.

She commended the leader on this project, Jim Garrison, the State Historic Preservation Officer. He pulled together staff at all levels and listened to their input and put it into words that everyone could understand.

Mr. Garrison said the change in staff and budget and the necessity of urgency of doing certain things have brought about this vision of the strategic plan. He said the five goals target around these concepts: resources; sustainability including economic and human resources; the visitor experience at the parks; planning as a means to get to an end; partnerships and increasing partnerships; and communications, both internal and external.

Mr. Garrison said he would quickly go through the goals and objectives. These have been sorted out from the expanded version that have strategic actions and performance measures in the draft plan.

Mr. Garrison said the first goal (1) is: "To provide sustainable management over our natural, cultural, recreational, economic and human resources." The first objective (A) is: "By keeping all parks economically viable and open to the public." The second objective (B) is: "By standardizing and upgrading the information technology infrastructure." He said in the SHPO computerization and electronics and information technology is the only staff could keep up with what they are required to do. The next objective (C) is: "By efficiently processing grants, projects, paperwork and documents through the agency." He said objectives b and c are related because a lot of the items under c become electronic items if it can. The next objective (D) is: "By increasing each staff member's knowledge, skills and abilities through training opportunities." He said the agency has had a long track record with keeping staff informed and educated and up-to-date on what they should be doing. There should be at least one training opportunity for each person in the park system to keep up with current issues and items they need to know to operate efficiently. The final objective (E) is: "By providing agency staff with a stimulating, safe, and challenging work environment." He said when ASP was downsized, staff was able to make a better work environment for ourselves. This needs to continue to be an objective to have a place where people want to work and enjoy working.

Mr. Garrison said the next goal (2) is: "To provide safe, meaningful and unique experiences for our visitors, volunteers and citizens." He said the first goal is resource protection and the second goal is visitor experience. Every park system address those two ideas. The first objective (A) under this goal is: "By working with agency personnel to implement and update the master list of economically feasible facility upgrades that improve the visitor experience and increase revenues." He said this is the list of capital items that are going on and include everything from park brochures to tours and events is the second part of it but all of the list of items that could be done at the park to improve visitor experience and at the same time increase revenue. The next objective (B) is: "By working with agency personnel to market events and improve the overall quality of existing events." He said this is not suggesting creating new events but those will come with partnerships and agreement discussions. This is having the best events possible and marketing those events to the broadest population that will come to the event. The next objective (C) is: "By striving to operate the visitor interface component of the Park System with a "cost neutral" budget where visitor revenue equals or exceeds direct visitor costs." He said the visitors are going to pay for the experience they have and make that the cost revenue while the resource protection is the value added that requires additional money

and why these things can't be operated totally as private enterprises. The resource protection is something for the long term.

Mr. Garrison said the next goal (3) is: "To document our progress through planning, analysis and research." The first objective (A) under this goal is: "By collecting scientific and historical data on natural and cultural resources to better inform decision-making." The next objective (B) is: "By updating the long-term Capital Improvement Plan." He said this Capital Improvement Plan is a much longer list than the annual Capital Improvement Plan. This is Capital Improvement Planning. The next objective (C) is: "By continuing to provide accurate, timely, and targeted agency reports on program management and analysis for internal and external use." He said this is the information feedback. The reports on park attendance and revenue is part of that. The final objective under this goal (D) is: "By continuing to implement the Revised State Historic Preservation Plan." He said this is for the SHPO office and the Board approved this plan about a year ago.

Mr. Garrison said the next goal (4) is: "To build lasting partnerships to promote local economies, good neighbors, recreation, conservation, tourism and establish sustainable funding for the agency." He said the funding source for the agency is going to be a partnership and a longer term effort by external groups as well as internal groups. The first objective (A) under this goal is: "By continuing and expanding collaboration with federal, tribal, state, and local governments, non-governmental organizations (NGOs), concessionaires and private sector individuals whose objectives or duties are similar to State Parks." The next objective (B) is: "By implementing a community relations plan that addresses each park's unique location, program audience, and adjacent and thematic communities." He said staff has talked about the communities and adjacent parks and the economic value but there are also thematic parks and parks that deal with certain themes across the state that need to have partnership development as well. The next objective (C) is: "By continuing partnership training on agency programs, planning and activities." He said this is to keep partners informed as to what programs ASP has available to them. The final objective (D) under this goal is: "By working with stakeholders to create and promote a strategy for sustainable agency funding." He said this came late into the plan and is at the efforts of Executive Staff.

Mr. Garrison said the final goal (5) is: "To effectively communicate with the public, policy makers, our partners, our peers and ourselves." He said this would be completed by (A) implementing a new marketing plan, (B) new public relations plan, and by (C) exploring new ideas to improve agency internal communications including an electronic posting of information.

Mr. Garrison said this staff thinks this covers the urgency but also the ability of the reduced staff to address issues. The action strategies are included on the plan but staff hopes to add or change as external or internal demands on the agency increase. This is a 3-to-4-year action plan in the final analysis but certainly an annual review.

Chairman Woodling asked if this plan a result of the work former Board member Arlan Colton worked on. Ms. Bahl answered affirmatively. She said it started last Fall with Mr. Scalzo, Mr. Colton and Ms. Baier who began on this process. When the December Special Session came around it was put on the back burner and has now been revived it again when the Board approved the new vision statement. Chairman Woodling asked how it will be presented to the Board for discussion at the October meeting. Ms. Bahl said the Board has the copy in front of them so they have a whole month to begin contemplating it.

She said if any Board members have questions or comments or additional thoughts staff would welcome those especially before the October meeting so it could be written down and get that information out to everyone. She said input is welcome now although Board members could have input then but it would help everyone if staff had it earlier. At the October meeting, staff and Board will go through it and see what is agreed upon and what should change. If the Board is comfortable adopting it in October that is great but if the Board would like to send staff back to the drawing board with a few changes then staff will make changes and come back to the Board at a future Board meeting.

J. TIME AND PLACE OF NEXT MEETING AND CALL FOR FUTURE AGENDA ITEMS

1. Staff recommends that the next Arizona State Parks Board Meeting be on Wednesday, October 20, 2010 at Picacho Peak State Park.
2. Board members may wish to discuss issues of interest to Arizona State Parks and request staff to place specific items on future Board meeting agendas.

Chairman Woodling asked the Board if they had any specific items they wanted added to a future agenda and there were no suggestions from the Board. Ms. Bahl said the Strategic Plan, Oracle State Park and potentially Homolovi Ruins State Park would be on the agenda in October. Chairman Woodling asked to have an update on the Rocking River Ranch and Verde River Greenway, Picket Post House at Boyce Thompson Arboretum and any status of the switching yard at Picacho Peak. Ms. Westerhausen asked if there could be some recognition of the friends and partners on the agenda. Ms. Bahl said there is recognition planned for the November agenda and that will be added as an agenda item.

Cristie Statler, Executive Director, Arizona State Parks Foundation (ASPF), asked if she could make a brief update. She said there are three areas of that the ASPF focuses on and they are advocacy, fundraising and friend-raising. In addition to the work the ASPF is doing with the Sustainability Committee, the ASPF is coming out actively against Proposition 301. There is an opinion editorial that is about to be submitted to the Arizona Republic, the Arizona Daily Sun and Arizona Daily Star. The ASPF is growing its contact database. To do this, they have developed an online web based drawing for a houseboat trip on Lake Powell, Lake Mead or Lake Mohave. There is no purchase price necessary. This has been donated by Forever Resorts. People are being driven to the website with free support from all of the Clear Channel radio stations throughout the state. It will be a total of 843 radio spots in addition to the paid promotions. The database is expected grow by 20,000 by December 31st. The winner of the drawing will be chosen January 1st. ASPF continues to build friends groups through the affiliate process. Some of those include Friends of Tonto Natural Bridge, Friends of Lost Dutchman, Friends of Alamo Lake, and the newest affiliate, Friends of Roper Lake. The Friends of Verde River Greenway recently secured a \$53,000 grant on watershed protection and invasive species eradication through the Walton Family Foundation. ASPF is pursuing friends groups at Picacho Peak and Catalina State Parks. ASPF has also pursued new opportunities in fundraising. ASP requested some projects, programs and events be funded. At the last ASPF Board meeting, funding was approved in the amount of \$40,000 that included the new Junior Ranger brochure. A membership program is also new and on the ASPF website. There are three different membership levels and benefits related to those. Other projects are that Union Pacific Railroad will again underwrite The Civil War in the Southwest event at Picacho

Peak. ASPF is working to getting a \$25,000 grant for that event and to extend grants support for projects at both Yuma parks. Union Pacific Railroad has said they fund the Civil War event if the grant does not come through. Since there is no friends group for Fort Verde, the ASPF will fund the events at Fort Verde. ASPF will also fund the Volunteer program and the Geo-cache event at Cattail Cove. She said the ASPF Board is having a Board Retreat on October 2, 2010. They will work on their own Strategic Plan and plans for the Sustainability group. She said the ASPF might also go ahead with some polling of its own. On October 23, ASPF will be hosting a friends forum. All of the friends groups will be invited. It will be in Phoenix.

K. ADJOURNMENT

Mr. Scalzo made a motion to adjourn. Ms. Westerhausen seconded the motion. The meeting was adjourned at 1:15 p.m.

Pursuant to Title II of the Americans with Disabilities Act (ADA), Arizona State Parks does not discriminate on the basis of a disability regarding admission to public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the acting ADA Coordinator, Nicole Armstrong-Best, (602) 542-7152; or TTY (602) 542-4174. Requests should be made as early as possible to allow time to arrange the accommodation.

APPROVED:

Reese Woodling

Reese Woodling, Chairman

Renée E. Bahl 20 Oct 2010

Renée E. Bahl, Executive Director